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STATE OF ILLINOIS

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COMMERCE COMMISSION

ILLINOIS COMMERCE COMMISSION 2003 NOV 26 A 11:44

CHIEF CLERK'S OFFICE

LEAF RIVER TELEPHONE COMPANY and L.R. }
COMMUNICATIONS, INC. }

Petition for approval of a stock }
redemption pursuant to Section 7-204 of }
the Public Utilities Act. }

Docket No.

03-0742

PETITION

NOW COME LEAF RIVER TELEPHONE COMPANY ("LRTC") and L.R. COMMUNICATIONS, INC. ("LRCI"), by and through their attorney, Gary L. Smith, of Loewenstein, Hagen & Smith, P.C., and respectfully request approval by the Illinois Commerce Commission of a certain stock redemption transaction between LRTC and its shareholders pursuant to Section 7-204 of the Public Utilities Act (the "Act"), and in support thereof state as follows:

1. LRTC is a telecommunications carrier providing local exchange telecommunications service within the Leaf River exchange on a non-competitive basis with less than 35,000 access lines.

2. LRCI is a competitive telecommunications carrier providing resold interexchange telecommunications services.

3. LRTC is the parent corporation owning 100% of the capital stock of LRCI.

4. LRTC has outstanding 232 shares of common stock and 118 shares of treasury stock.

5. Maxine L. Palmer (secretary and director) owns 116 shares, Eugene Barney owns 3 shares, Diane Barney owns 29 shares, and Katherine L. Barney (President and director) owns 84 shares of LRTC stock.

6. Pursuant to a Shareholders' Agreement between LRTC and its shareholders, LRTC is obligated to purchase Katherine L. Barney's shares. The parties have amended the Shareholders' Agreement to allow Katherine L. Barney to retain 26 shares and LRTC has agreed to redeem 58 shares into treasury stock with a valuation date of March 3, 2003.

7. The purchase of the 58 shares of LRTC stock will not adversely affect the ability of LRTC and LRCI to perform their duties under the Act.

8. The proposed purchase of stock will not diminish the ability of LRTC and LRCI to provide adequate, reliable, efficient, safe and least cost public utility service, nor result in unjustified subsidization of non-utility activities by a utility or its customers.

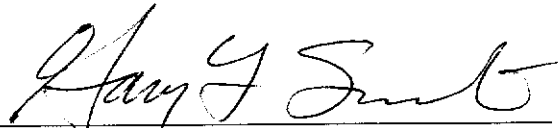
9. The costs and facilities will continue to be fairly and reasonably allocated between utility and non-utility activities in such a manner that the Commission may identify those costs and facilities which are properly included by LRTC and LRCI for ratemaking purposes.

10. The said purchase will not significantly impair the ability of LRTC and LRCI to raise necessary capital on reasonable terms or to maintain a reasonable capital structure.

11. LRTC and LRCI will remain subject to all applicable laws, regulations, rules, decisions and policies governing the regulation of Illinois public utilities and telecommunications carriers.

WHEREFORE, Petitioners respectfully request the Illinois Commerce Commission to enter an order approving the proposed transaction for Leaf River Telephone Company to redeem 58 shares of its capital stock pursuant to Section 7-204 of the Act and for such other and further relief as the Commission deems just.

LEAF RIVER TELEPHONE COMPANY and
L.R. COMMUNICATIONS, INC.



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STATE OF ILLINOIS

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COUNTY OF SANGAMON

The undersigned, Maxine L. Palmer, being first duly sworn on oath, deposes and states that she is the Secretary of Leaf River Telephone Company and L.R. Communications, Inc.; that she has read the foregoing Petition, and that the contents thereof are true and correct to the best of her information and belief.

Maxine L. Palmer
Maxine L. Palmer

Subscribed and sworn to before me, a notary public, this 20th day of November, 2003.

Vickie L. Stamper
Notary Public

